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October 17, 2011

Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, North Dakota 58505-0480

**RE: ALLETE Clean Energy's Clean Energy #1 Wind Project
Letter of Intent to Construct Energy Conversion Facility and Request to
Shorten the One-Year Time Requirement for Filing Application**

Dear Mr. Nitschke:

ALLETE Clean Energy¹ is pleased to announce its plans for a wind energy conversion facility (Clean Energy #1 Wind Project) in Mercer and Morton counties. The purpose of this letter is to: (1) notify the North Dakota Public Service Commission ("Commission") of ALLETE Clean Energy's intent to construct the wind energy conversion facility as required by N.D.C.C. § 49-22-07.1 and (2) request the Commission shorten the one-year waiting period between this notification and when an application for a Certificate of Site Compatibility can be submitted as established by N.D. Admin. Code 69-06-03-01 to one month. This request is made pursuant to N.D.C.C. § 49-22-07.2.

Minnesota Power previously notified the Commission in Case No. PU-11-620 of its plans to permit a transmission line extension to the existing 230 kV transmission line that would be utilized by wind projects developed by ALLETE Clean Energy. In conjunction with the transmission line extension, ALLETE Clean Energy is proposing to request Commission approval for a 100 MW project to be located in Mercer and Morton counties. Attachment A is a map of the proposed Clean Energy #1 Wind Project. N.D. Admin. Code 69-06-03-02(2). ALLETE Clean Energy anticipates initial site work construction to commence by spring 2012 contingent on obtaining all necessary approvals from the Commission and local governments along with finding an offtake counter party. N.D. Admin. Code 69-06-03-02(3).

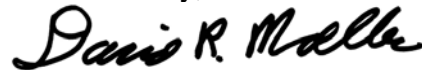
¹ ALLETE Clean Energy is a second-tier subsidiary of ALLETE, Inc. ALLETE's Certificate of Good Standing issued by the North Dakota Secretary of State was provided to the Commission in a letter dated May 16, 2011 in Case No. PU-11-57. ALLETE Clean Energy will obtain its own Certificate of Good Standing in the near future.

The Clean Energy #1 Wind Project will interconnect with a new substation to be built by Minnesota Power that is an extension of the existing 230 kV transmission line from the existing 230 kV Bison Substation and then be delivered to the Square Butte Substation. The wind energy will then be transmitted via the existing 250kV DC Line and existing AC transmission system as available and is intended to be used to meet ALLETE Clean Energy's customer needs. N.D. Admin. Code 69-06-03-02(1). ALLETE Clean Energy estimates that this 100 MW project will cost approximately \$200 million depending on final project design and turbine selection. N.D. Admin. Code 69-06-03-02(4).

ALLETE Clean Energy expects to file the site permit application in November 2011 in order to obtain Commission approval by winter 2012. Therefore, ALLETE Clean Energy respectfully requests pursuant to N.D.C.C. § 49-22.07.2 that the Commission shorten the one-year waiting between filing this letter of intent and a siting application to one month. N.D. Admin. Code. 69-06-03-01. The original and ten copies of this waiver application are being filed with the Commission as required by N.D. Admin. Code 69-06-06-01.2.

If you have any questions, or need additional information, please contact me at (218) 723-3963.

Sincerely,

A handwritten signature in black ink that reads "David R. Moeller". The signature is written in a cursive, flowing style.

David R. Moeller

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Enc.

c: Eric Norberg, ALLETE Clean Energy
Dwight Anderson, ALLETE Clean Energy
Steve Peluso, ALLETE Clean Energy
Jim Atkinson, ALLETE

ALLETE Clean Energy

